

Mid-Continent Region Exploration/Production

Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

February 19, 1998

Mr. Michael Stogner New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, New Mexico 87504 DECEIVED FEB 2 3 1998

OIL CON. DIV.

RE: Application for Non-Standard Location
San Juan 28-7 Unit Well # 156M - to Avoid Archeological sites & to avoid drastic relief in the Topography

Dear Mr. Stogner,

The proposed Mesaverde/Dakota well has been staked at a non-standard location of 1045' FSL & 1890' FEL, Section 10, T-27-N, R-7-W, Rio Arriba County as shown by the attached C-102. Blanco Mesaverde and Basin Dakota pool rules require a standard location to be located no closer that 790' from the center section line. This staked location is only 750' from the center section line. The only offset operator that might be affected is Unocal to the south in Section 15, operator of the Rincon Unit. Please find a copy of a certified mail receipt attached where they have been notified.

The archaeological sites around this area were numerous. The proposed location was determined as the only one acceptable. A topographic map is attached showing the location of the proposed well site. The steep grade of the topography is obvious. Attached is a statement from the Neale C. Edward Survey Company stating the reasons for our request of a non-standard location.

The proposed well will be completed and tested separately in the Mesaverde and Dakota formations and eventually downhole commingled following adequate testing and approval for commingling.

A non-standard location order is requested based on the reasons given in the following attachments. If there are further questions concerning this application please call me at (915) 686-5798.

Sincerely,

Regulatory Agent

cc: Oil Conservation Division - Aztec

William J LeMay, Director - OCD, Santa Fe